

January 9, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

The Identity Theft Task Force, as created by Act 140, 2006 Session Laws of Hawaii, is pleased to submit this interim report of task force activities in 2006 and its plans for 2007. A final report will be submitted prior to the 2008 regular session.

### **Background**

The Identity Theft Task Force is a continuation of the Anti-Phishing Task Force, created by the 2005 Legislature, but with added members and responsibilities. Act 140 (2006 Session Laws) changed the name of the Anti-Phishing Task Force to the Identity Theft Task Force (Task Force), added twelve members, and moved administrative responsibility from the office of the attorney general to the office of the auditor. In addition, new provisions assigned the Task Force responsibility to:

1. Identify best practices related to protecting personal identifying information collected by government agencies.
2. Review other jurisdictions' activities, policies, and laws.
3. Establish a timetable for removal of personal identifying information from public records.
4. Review current practices in the use and disclosure of Social Security numbers in state and county records and documents.
5. Review the volume of these records and documents and likely future increase or decrease.
6. Review the impact of mandatory redaction.
7. Identify and recommend solutions for protecting Social Security numbers.

The Task Force is to report its findings and recommendations to the Legislature prior to the convening of the 2007 and 2008 regular sessions. A final report which

will include the Task Force's findings and recommendations will be submitted prior to the 2008 regular session.

### **Task Force Meetings**

At its initial meeting on September 29, 2006, Task Force members elected Gary Caulfield, Vice Chairman of First Hawaiian Bank, as its chair, and Marvin Dang, Hawai'i Financial Services Association, as vice chair. The members of the task force in 2006, their appointing authorities, and where not already evident, the sectors they represent were:

<b>Task Force Member</b>	<b>Appointing Authority</b>
Clayton Arinaga, Acting Police Chief, Kauai Police Department	County Police Departments
Lt. Andrew Castro	Honolulu Police Department, Criminal Investigation Division
Gary Caulfield, Vice Chairman, First Hawaiian Bank	House Speaker, Financial Services Industry
Marvin Dang, Hawai'i Financial Services Association	Senate President, Financial Services Industry
Craig A. DeCosta, Prosecuting Attorney, County of Kauai	Hawai'i Prosecuting Attorneys Association
Sen. Carol Fukunaga	Senate President
Ronald Johnson, Assistant U.S. Attorney	U.S. Attorney
Rep. Jon Riki Karamatsu	House Speaker
Nathan Kim, Department Chief, Support Services Department	Administrative Director of the Judiciary
Paul Kosasa, CEO, ABC Stores	House Speaker, Retail and Small Business
David Lassner, Chief Information Officer	University of Hawai'i
Stephen H. Levins, Executive Director	Office of Consumer Protection
Tim Lyons, President, The Legislative Center	House Speaker, Consumer and Business Organizations
Sen. Ron Menor	Senate President
Rep. Colleen Meyer	House Speaker
Carol Pregill, President, Retail Merchants Hawai'i	Senate President, Retail and Small Business Community
Mel Rapozo, President	Hawai'i Association of Counties
Robert Takushi	Senate President, Consumer and Business Organizations

Tom Terry, Supervisor / Postal Inspector	U.S. Postal Service
Rick Walkinshaw	U.S. Secret Service
Sharon Wong, Branch Manager, Planning and Project Management Office	Department of Accounting and General Services
Christopher D.W. Young, Deputy Attorney General	Department of the Attorney General
Darwin Ching	Department of Education

At two subsequent meetings in November and December, informational briefings by members representing the U.S. Postal Service, the Department of the Attorney General, and the State Judiciary outlined the scope of the identity theft problem, law enforcement activities, and the issues faced by custodians of records. Planned briefings by representatives of county agencies, private sector, and state agencies will provide the Task Force current information on policies and practices related to collection and handling of personal information.

The Task Force has created two smaller investigative working groups to research possible legislation to assist law enforcement and public information initiatives to combat identity theft. The working groups will report their findings and recommendations to the Task Force.

### **Research Government Records**

To address the new provisions in Act 140, the Office of the Auditor has engaged the services of JW Loo and Associates (Contractor) to conduct research into personal information in state and county government records. Due to limited funds available, the work was divided into two phases and Contractor will undertake Phase One tasks:

1. Define *personal identifying information*.
2. Perform a risk assessment of state and county agencies based on volume of personal identifying information collected and maintained and the risk and impact of disclosure.
3. Identify best practices to prevent identity theft by reviewing other jurisdictions' activities, policies, and laws related to protecting personal information collected by government agencies.
4. Review current practice in the use and disclosure for public inspection of Social Security numbers in records and documents maintained by Hawai'i state and county agencies.

As of November 16, 2006, Contractor has completed a project work plan for the Phase One tasks and submitted it to the Office of the Auditor. The work plan includes the following major activities:

1. Information Gathering (November 16, 2006 – February 9, 2007)
  - a. Identify other jurisdiction practices and compliance outcomes. The focus will be on those states whose identity theft statutes apply to government agencies.
  - b. Implement an agency survey.
  - c. Perform focused interviews. The interviews will include 3 – 4 representative State/county agencies and will be designed to obtain detailed information on the personal information maintained and used, applicable policies/procedures, staff training, and technical safeguards applied to secure personal information.
2. Analysis (February 5, 2007 – March 12, 2007)
  - a. Perform analysis on personal identifying information. This activity will review the agency survey results and summarize the information types maintained/used by agencies that conform to the statutory definition of *personal information*.
  - b. Perform risk assessment. This activity will assess agency uses and potential public exposure of personal information. It will also assess the technical safeguards deployed to secure the personal information from unauthorized access.
  - c. Perform other jurisdiction analysis. This activity will identify best practice approaches and outcomes at other jurisdictions.
  - d. Perform Social Security number analysis. This activity will assess the use of Social Security numbers in State/county agencies and the scope of disclosure.
3. Implement Reports (December 1, 2006 – December 27, 2007)
  - ☐ Implement status reports
  - ☐ Implement interim report for 2007 regular session
  - ☐ Implement final report for 2008 regular session.

The Contractor developed an agency questionnaire that was mailed to all state and county agencies on December 12, 2006. State and county agencies identified as respondents to the agency questionnaire include state executive branch agencies, the Judiciary, the University of Hawaii system, and county executive branch agencies.

The questionnaire contained the following sections:

1. **General Description.** Identifies the types and uses of documents containing personal information used by the agency.
2. **Social Security Numbers.** Identifies the use/disclosure of Social Security numbers by the agency.
3. **Personal Information Use/Disclosure.** Identifies the scope of personal information transmittal at the agency.

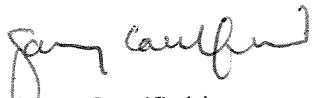
4. **Personal Information De-Identification and Encryption.** Identifies agency practices related to de-identification and encryption of personal information.
5. **Agency Contracts.** Identifies agency stipulations in contracts to secure personal information and to notify the agency in case of security breaches.
6. **Agency Workforce Policies.** Identifies agency policies and procedures applicable to securing personal information.
7. **Agency Compliance.** Identifies agency readiness to comply with HRS §487J (Social Security Number Protection), HRS §487N (Notice of Security Breach), and HRS §487R (Destruction of Personal Information Records). Also identifies significant barriers to compliance reported by agencies.

An electronic copy of the agency questionnaire was also posted and available for download from the Office of the Auditor website (<http://www.state.hi.us/auditor/meetings.htm>). The due date for return of the agency questionnaire is January 31, 2007.

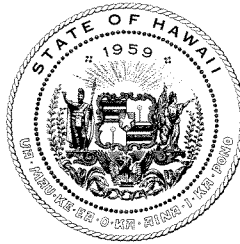
Phase Two, to be completed in 2007, subject to availability of funds, will include the following tasks:

1. Review the current volume of documents and records containing personal identifying information and assess the future growth or decline in volume.
2. Examine the practicability of mandatory redaction and the impact of implementation on human and other resources.
3. Propose a timetable for the immediate removal of personal identifying information from public records in Hawai'i.
4. Identify and recommend solutions to issues related to protection of Social Security numbers, including the sale, lease, trade, rent, or otherwise intentional release of an individual's Social Security number to a third party.

Respectfully submitted,



Gary Caulfield  
Chairman  
Identity Theft Task Force



January 9, 2007

The Honorable Calvin K.Y. Say, Speaker of the  
House of Representatives and Members of the  
House of Representatives  
State Capitol, Room 431  
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